

SENT  
TELEX ROOM

1982 FEB 22 PM 12:12

JBH

PHILIP MORRIS INT'L  
N.Y.C.

CS: 22-02-28

HAMISH MAXWELL

CC:

RWM, TG, WTM (PME)

F A DULLES, T M KEARNS, R L SNYDER, L POLLAK (PM NY)

FLASH TELEX - WEEK ENDING FEBRUARY 19, 1982.

**1. LEGAL**

A) GERMANY

- 1) A MEETING WITH PROFS. GUTOWSKI AND ALBACH IS PLANNED TO TAKE PLACE ON FEBRUARY 26 IN BREMEN TO DISCUSS THE ECONOMIC STUDIES MADE BY THEM ON GERMANY. THE PROPOSED GUTOWSKI STUDY ON THE EEC WILL ALSO BE DISCUSSED.
- 2) OUR GERMAN LAWYERS ARE MEETING ON FEBRUARY 24 IN FRANKFURT TO DISCUSS OUR RESPONSE TO THE FCO LETTER WHICH AGREED TO NEGOTIATE INTERIM MEASURES WITH BRINKMANN, AND TO DRAFT THE RESPONSE.

B) CANADA

EH, FD AND OUR LAWYERS ARE TO MEET WITH FIRA ON MARCH 5 IN OTTAWA TO FURTHER DISCUSS WITH OFFICERS OF COMPLIANCE BRANCH THE QUESTION OF THE REVIEWABILITY OF THE TRANSACTION BY FIRA.

**2. POLITICAL ACTION**

A) DIE ZEIT ARTICLE FEBRUARY 19TH

AN ARTICLE APPEARED IN "DIE ZEIT" ON FEBRUARY 19TH BASED ON AN INTERVIEW WITH HELD OF THE FCO. THE PUBLICATION OF THIS INTERVIEW RAISES THE QUESTION OF BIAS OF HELD AND WE ARE REVIEWING WHETHER TO ASK FOR HIS DISQUALIFICATION FROM THE CASE AND HIS ASPECT WILL BE DISCUSSED IN FRANKFURT ON 24 FEBRUARY.

2500084741

UNILIT RECENTLY HAS BEEN RECEIVING TO THE CRISTE

REQUERED FOR WHICH THE CRISTE WAS AT THIS MOMENT THE

### 3. OPERATIONS

#### A) VISIT CR PERSONNEL

IT IS PLANNED THAT F. KENAGHAN, G. BUNTON, AND B. NIBLOCK FROM CARRERAS ROTHMANS WILL VISIT PM EUROPEAN FACTORIES AND RICHMOND AT THE END OF MARCH.

#### B) VISIT OF REMBRANDT PERSONNEL

MR. GENE BRINK, OPERATIONS DIRECTORS, AND MR. NEL OF REMBRANDT GROUP WILL ALSO VISIT RICHMOND ON 11/12 MARCH 1982.

#### C) CONTRACT MANUFACTURE

IT HAS BEEN DECIDED NOT TO PURSUE CONTACTS REGARDING CONTRACT MANUFACTURE IN 1982 OF MARLBORO. FOR THE TIME BEING, IT APPEARS PME MIGHT HAVE SUFFICIENT OWN CAPACITY IN THE U.K. AND BELGIUM

DISCUSSIONS WILL HOWEVER CONTINUE WITH TABACOFINA REGARDING THE ARMADA 100 FAMILY AND PM INTERNATIONAL AND WITH BRINKMANN REGARDING PM MULTIFILTER 100MM.

#### D) ET

A POSITIVE ANSWER IN PRINCIPLE HAS BEEN GIVEN TO CARRERAS ROTHMANS' REQUEST FOR THE SUPPLY OF 600 TONS OF ET CONVERTED IN GERMANY FOR A YEAR FROM JULY 1982. COSTINGS ARE BEING PREPARED TO DETERMINE A CONVERSION FEE. DETAILS WILL BE DISCUSSED IN MUNICH DURING THE ABOVE MENTIONED VISIT OF THE CR PERSONNEL.

SITUATION BETWEEN PM AND AIRCO HAS TO BE RESOLVED BEFORE WE CAN GIVE PRACTICAL HELP TO RI. THE QUESTION REMAINS WHETHER RI WOULD BE REGARDED AS A PM AFFILIATE UNDER THE AIRCO AGREEMENT WHEREBY AIRCO WOULD NOT BE ENTITLED TO ROYALTY OR WHETHER THEY ARE A THIRD PARTY AND AS SUCH AIRCO WOULD PROVIDE THE SERVICE AND SHARE THE ROYALTY WITH US. W. MARTIN WILL DISCUSS THIS MATTER IN HIS VISIT TO N.Y. THIS WEEK TO RESOLVE THE MATTER

2500084742

#### 4. BUSINESS DEVELOPMENT

##### A) MALAYSIA

JOINT-VENTURE AGREEMENT WITH ROTHMANS MALAYSIA WAS SIGNED ON FEBRUARY 16. UNDER THIS AGREEMENT ROTHMANS WILL MANUFACTURE AND DISTRIBUTE MARLBORO IN MALAYSIA.

##### B) ZIMBABWE

WE HAVE BEEN APPROACHED BY ROTHMANS ZIMBABWE WITH A PROPOSAL TO MANUFACTURE CIGARETTES FOR US IN ZIMBABWE FOR EXPORT TO OTHER AFRICAN COUNTRIES.

WE HAVE REPLIED THAT WE ARE INTERESTED IN ZIMBABWE MANUFACTURE FOR EXPORT TO COUNTRIES SUCH AS ANGOLA OR MOZAMBIQUE WHERE WE CANNOT SOURCE FROM USA BUT BILATERAL AGREEMENTS MAY EXIST WITH ZIMBABWE. WE ALSO ADVISED ALL SUCH EXPORTS WOULD BE REQUIRED TO BE PAID IN US DOLLARS.

##### C) LICENCE AGREEMENTS

COMMENTS OF REMBRANDT GROUP ON THE HEADS OF AGREEMENT PRESENTED IN STELLESBOSCH HAVE BEEN RECEIVED AND WE WILL STUDY THEIR RESPONSE WITH OUR LAWYERS.

##### D) GENERAL

VARIOUS OTHER MATTERS WERE REFLECTED IN MY TELEX OF FEBRUARY 17TH REPORTING ON MY DISCUSSIONS WITH ROUX.

#### 5. FINANCE AND ADMINISTRATION

ROUX HAS RAISED THE QUESTION OF RI GIVING QUARTERLY REPORTING INFORMATION TO PM AND WHETHER THIS CONFLICTS WITH THE INTEREST OF OTHER SHAREHOLDERS. WE HAVE MADE THE POINT THAT THE INFORMATION WE RECEIVE IS TO US ACCOUNTING STANDARDS ONLY AND NO CONFLICT IN OUR OPINION ARISES. WE ADVISED THAT WE REQUIRE TO MEET AND DISCUSS THE INFORMATION WITH RI PERSONNEL. ROUX HAS AGREED THAT THE MEETING ARRANGED FOR MARCH CAN GO AHEAD AND WE WILL RESOLVE THE MATTER BEFORE THE NEXT MEETING IS DUE JUNE.

2500084743

## 6. GENERAL

### A) SHARE PRICES

FOLLOWING ARE SHARE PRICES OF RI PUBLIC COMPANIES AS AT FEBRUARY 19, 1982 (PREVIOUS WEEK'S PRICES IN BRACKETS)

FEBRUARY 1982.

	19	(12)
ROTHMANS INTERNATIONAL (POUNDS)	79 P	( 80 P)
RI CONVERTIBLE POUNDS/DM BONDS (DM)	2.989.35	(3.022.50)
DUNHILL (POUNDS)	258 P	(260 P)
CARROLLS (IRISH POUNDS)	59 P	(59 P)
TABACOFINA (BF)		
- FORWARD	3.205	(3.300)
- SPOT	3.200	(3.285)
ROTHMANS OF PALL MALL CANADA (CAN. DLRS)		
- COMMON	22 3/8	(22 1/4)
- PREFERRED B	NN/A	(9 1/4)
CARLING O'KEEFE		
- COMMON	6	(5 7/8)
- PREFERRED A	N/A	(15 3/4)
- PREFERRED B	17 1/2	(N/A)
ROTHMANS OF PALL MALL AUSTRALIA (AUS. DLRS)		
- SYDNEY	4.80	(4.80)
- MELBOURNE	4.80	(4.92)
ROTHMANS INDUSTRIES, N.Z. (NZ DLRS)	1.82	(1.80)
ROTHMANS OF PALL MALL MALAYSIA (SING. DLRS)	6.65	(6.40)
ROTHMANS INDUSTRIES LTD. SING. DLRS)	7.40	(6.80)

REGARDS

EHUD HOUMINER  
+++JM

NNNN

2500084744